



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

TELEPHONE
(213) 974-2101

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(213) 626-1812

November 4, 2004

TO: Louisa Ollague, Legislative Deputy, First Supervisorial District
Clinton Tatum, Senior Deputy, Second Supervisorial District
Brence Culp, Budget Deputy, Third Supervisorial District
Stacey Roa, Deputy, Fourth Supervisorial District
Angela Mazzie, Budget Deputy, Fifth Supervisorial District

FROM: Mark J. Saladino
Treasurer and Tax Collector

SUBJECT: **AGENDA ITEM NO. 42 FOR NOVEMBER 9, 2004-
RECOMMENDATION TO AWARD ASSIGNMENT AND
DELEGATION AGREEMENT FOR PRESORT MAILING SERVICES**

The Treasurer and Tax Collector (TTC) has filed the attached Board letter for the Board of Supervisors' meeting of November 9, 2004 recommending approval of an assignment and delegation agreement from Ancora Presort Partners (Ancora) to PSI Group, Inc. (PSI) for the provision of presort mailing services. On October 4, 2004, Ancora informed the County of Los Angeles (County) that, pursuant to a purchase transaction, PSI Group, Inc. (PSI) would be absorbing Ancora operations and requested that the Ancora contract for presort mailing services be assigned to PSI, under Sub-section 8.1, Assignment and Delegation, of the contract.

Presort mailing services affords the TTC a significant savings in first-class postage. Because the postage and postmarks are applied by the mailing services contractor, delivery of the mail by the presort vendor to the United States Post Office (Post Office) needs to be within 24 hours of pickup from TTC. Therefore, having a presort vendor that has the requisite capacity and means to accomplish this task in a timely manner is paramount. The current contract with Ancora expires on June 30, 2005, with two additional one-year extension periods.

The proposed assignment and delegation agreement with PSI will not exceed the previously approved Ancora contract annual maximum sum of \$35,000. The Assignment and Delegation to PSI will not result in an increase to the existing fees. A portion of the cost will be offset through interdepartmental billings to TTC's client departments.

Louisa Ollague et al.
November 4, 2004
Page 2 of 2

The approval of the recommended Assignment and Delegation Agreement provides for the continuation of existing services.

If you should have any questions, please contact Mr. Henry Román, Assistant Treasurer and Tax Collector, at (213) 974-0703.

MJS: EVT: evt
PSI Board Memo 11-4-04

Attachment

c: Henry Román



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



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500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

TELEPHONE
(213) 974-2101

October 28, 2004

FACSIMILE
(213) 626-1812

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF ASSIGNMENT AND DELEGATION AGREEMENT –
PRESORT MAILING SERVICES
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chairman to sign the attached Assignment and Delegation Agreement which delegates and assigns all rights, obligations, and interest of Contract No. 74020 with Ancora Presort Partners (Ancora) to PSI Group, Inc. (PSI).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 4, 2002, your Board approved the Presort Mailing Services contract, which commenced July 1, 2002 with Ancora. Presort mailing services affords the Treasurer and Tax Collector (TTC) a significant savings in first-class postage. Because the postage and postmarks are applied by the mailing services contractor, delivery of the mail by the presort vendor to the United States Post Office (Post Office) needs to be within 24 hours of pickup from TTC. Therefore, having a presort vendor that has the requisite capacity and means to accomplish this task in a timely manner is paramount.

On October 4, 2004, Ancora informed the County of Los Angeles (County) that, pursuant to a purchase transaction, PSI would be absorbing Ancora operations and requested that the Ancora contract for presort mailing services be assigned to PSI, under Sub-section 8.1, Assignment and Delegation, of the contract. In order to confirm that PSI, a wholly owned subsidiary of Pitney Bowes, Inc. (Pitney Bowes), possesses the financial capability to successfully execute the contracted services, TTC conducted a review of Pitney Bowes' audited financial statements for the years ending December 31, 2003, 2002, and 2001. Based upon the review, it was determined that Pitney Bowes is in an acceptable financial condition. Accordingly, TTC recommends that the Board approve this Assignment and Delegation to PSI. The current contract with Ancora expires on June 30, 2005, with two additional one-year extension periods.

Implementation of Strategic Plan Goals

The Assignment and Delegation of this contract is consistent with the County's Strategic Plan Goal of Organizational Effectiveness. This assignment and delegation agreement will enable the continued operations through the utilization of the contractor's expertise to effectively provide these as-needed presort mailing services in a timely and cost-effective manner.

FISCAL IMPACT/FINANCING

The proposed assignment and delegation agreement with PSI will not exceed the previously approved Ancora contract annual maximum sum of \$35,000. The Assignment and Delegation to PSI will not result in an increase to the existing fees.

Living Wage Program requirements do not apply to this non-Proposition A contract.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contractor is in compliance with all Board and TTC requirements. County Counsel has reviewed and approved the Assignment and Delegation Agreement as to form.

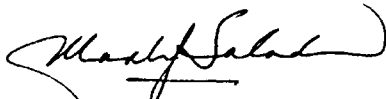
IMPACT ON CURRENT SERVICES

None. Approval of this Assignment and Delegation Agreement provides for the continuation of existing services.

CONCLUSION

Instruct the Executive Officer/Clerk of the Board to return three (3) signed original Delegation and Assignment Contracts and one (1) adopted stamped Board letter to TTC.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:EVT:evt
Assignment and Delegation Brd Ltr. 10-28-04

Attachments (1)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

ASSIGNMENT AND DELEGATION AGREEMENT
PRESORT MAILING SERVICES

THIS ASSIGNMENT AND DELEGATION AGREEMENT is made and entered into this _____ day of _____, 2004, by and between the County of Los Angeles ("COUNTY"), Ancora Presort Partners (Ancora), and PSI Group, Inc., (PSI).

WHEREAS, Ancora provides presort mailing services to COUNTY pursuant to a Presort Mailing Services contract with COUNTY (Contract No. 74020), which was adopted by the Board of Supervisors on June 4, 2002 and commenced July 1, 2002 incorporated herein by reference (hereafter referred to as "Contract");

WHEREAS Ancora desires to delegate and assign all its rights, obligations and interest under the Contract to PSI and PSI desires to assume these rights, obligations and interest in said Contract;

WHEREAS, Ancora and PSI represent that they have the consent, power, and authority to assign and transfer all rights, obligations and interest contained in said Contract;

WHEREAS, Ancora and PSI have asked COUNTY to consent to the assignment and delegation of all rights, obligations and interest under said Contract;

WHEREAS, under the terms of the Contract, a written assignment and delegation of the Contract must be approved by the COUNTY;

WHEREAS, the COUNTY has reviewed the financial statements and other documents of PSI and finds that PSI is a responsible corporate entity capable to carrying out the presort mailing services in the Contract;

NOW, THEREFORE, COUNTY, ANCORA and PSI agree as follows:

(1) All rights, obligations, and interest in said Contract for presort mailing services between Ancora and COUNTY shall be assigned and delegated to PSI.

(2) PSI assumes and receives from Ancora all rights, obligations, and interest of Ancora in said Contract for presort mailing services.

(3) PSI agrees to abide by all terms and conditions of said Contract for presort mailing services between Ancora and COUNTY.

(4) Ancora and PSI agree that COUNTY shall not pay any additional monies for the provision of presort mailing services by either Ancora or PSI as a result of this assignment Contract that would have been owed under the Contract in the absence of this assignment agreement.

(5) Ancora and PSI shall indemnify, defend, and save harmless COUNTY and their agents, officers and employees from and against any and all liability expense, including defense costs and legal fees, and claims for damages of any nature whatsoever in connection with any claim of any third party with regard to any fee to be paid to Ancora or PSI pursuant to this assignment agreement.

(6) Ancora and PSI shall indemnify, defend, and save harmless COUNTY, its agents, officers and employees from and against any and all liability expense, including defense costs and legal fees, and claims for damages of any nature whatsoever in connection with any dispute between Ancora and PSI regarding payment of monies for presort mailing services to either Ancora or PSI pursuant to this assignment agreement.

(7) COUNTY consents to this assignment of rights, obligations, and interest of Ancora in said Contract to PSI pursuant to this assignment agreement.

(8) The Contract for presort mailing services between Ancora and COUNTY are incorporated as a part of this assignment agreement.

(9) This assignment Contract shall constitute the complete and exclusive statement of understanding between COUNTY, Ancora and PSI and supersedes all previous written or oral Contracts, and all prior communications between COUNTY, Ancora, and PSI relating to the subject matter of this assignment agreement.

(10) This assignment agreement shall be construed as if prepared by all parties.

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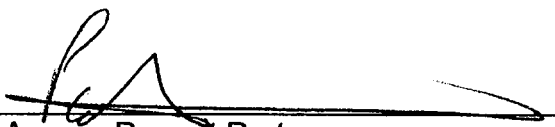
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COUNTY, Ancora, and PSI, by mutual subscription, agree to this Assignment and Delegation.

By 
Ancora Presort Partners

10-26-04
Date

By 
PSI Group, Inc.

11/01/04
Date

By _____
County of Los Angeles
Chairman, Board of Supervisors

Date

ATTEST:

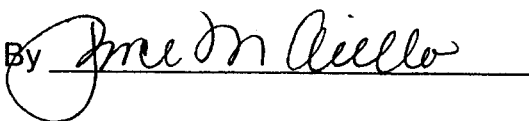
Violet Varona-Lukens
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

Date

APPROVED AS TO FORM:

OFFICE OF THE COUNTY COUNSEL

By 

10/22/04
Date